

Proposal for Retirement Plan Legislation
(for the 2007 Legislative Session)

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http://www.leg.mt.gov/css/committees/interim/2005_2006/st_admin_vet_affairs/default.asp

PROPOSER'S NAME/TITLE: Carole Carey, President
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1. What is the problem or issue?

The Public Employees' Retirement Systems' Defined Contribution Retirement Plan (PERS-DCRP) was implemented July 1, 2002. Funding to implement the plan was provided by a loan to be repaid by the PERS-DCRP members. The requirement of plan members to repay this loan is creating an undue hardship on the members of the plan, particularly since only 3% of eligible members have chosen the PERS-DCRP. The original estimates were that 20-25% would join. The cost to establish new retirement programs should be the responsibility of the plan sponsor. The plan sponsor is the State of Montana.

2. What do you want the legislation to do?

Reimburse the PERS-DCRP for the plan start-up costs. The loan amount was \$1.5 million.

3. If possible, please list the MCA (Montana Code Annotated) sections that would need to be amended.

4. Which retirement plan or plans would be covered by the legislation? (If the proposal is limited to certain plans, please indicate why.)

The Public Employees' Retirement Systems' Defined Contribution Retirement Plan (PERS-DCRP). The PERS is the only retirement system with the DCRP option.

5. If the proposed change requires additional funding, what funding sources do you propose (e.g., an increase in employer contributions, employee contributions, or both)?

General Fund

- 6. Has similar legislation been requested in the past, been introduced in another state, or provided as a model act? If so, please provide a citation, reference, or point of contact.**

Yes, HB 36 during the 2005 Regular Legislative Session

- 7. If you are a holdover senator or a legislative candidate running unopposed, do you want the Legislative Services Division staff to consider this a bill draft request?**

NA